

NEWS

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FOR IMMEDIATE RELEASE
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Former Chief Financial Officer Admits Embezzling from Company

(More)

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NEWARK – The former Chief Financial Officer of Photonic Products Group, Inc., pleaded guilty today to embezzling from the company and to filing false tax returns, U.S. Attorney Christopher J. Christie announced.

William Miraglia, 58, formerly of Northvale and currently residing in Rio Vista, Calif, pleaded guilty before United States District Judge Joseph A. Greenaway, Jr. to a four-count Information charging him with one count of mail fraud and three counts of filing false income tax returns. Judge Greenaway released the defendant on a \$50,000 unsecured bond pending sentencing, which is scheduled for Jan. 8, 2008.

At his plea hearing, Miraglia admitted that between January 2000 and June 2006, he used the Photonic Products Group, Inc. (“PPGI”) corporate debit card to embezzle hundreds of thousands of dollars from PPGI and used the money to pay for various personal expenses, which included airplane tickets, hotel rooms, golf outings, and dinners. Miraglia also embezzled money from PPGI by issuing PPGI corporate checks, without PPGI authorization, to pay for various personal expenses, he admitted. Miraglia admitted that one of the personal expenses he paid with embezzled funds included paying a personal debt of approximately \$94,500 that was owed to the IRS. In addition, Miraglia admitted that he attempted to conceal his illegal activities by, among other things, causing PPGI to falsely account for such payments of personal expenses on PPGI's books and records and by lying to PPGI board members, officers and other employees about his misuse of PPGI money.

Miraglia also admitted that he knew he should have paid federal income taxes on the money he embezzled from PPGI, and that he filed a false 2005 tax return that failed to report the income he received in 2005 from his illegal activities. In addition, Miraglia's plea agreement with the United States acknowledges that Miraglia also filed false tax returns for the tax years of 2003 and 2004.

PPGI, which fully cooperated in the investigation, is based in Northvale and develops crystals, crystal devices, optical components, and laser subsystems and instruments for government agencies, research laboratories, defense contractors and others in private industry.

Christie credited Special Agents with the IRS Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord, and Postal Inspectors of the U.S. Postal Inspection Service, under the direction of Acting Postal Inspector in Charge Eddie C. Woodson, for investigation of the case.

The case is being prosecuted by Assistant U.S. Attorney Adam S. Lurie of the U.S. Attorney's Special Prosecutions Division.

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Defense Attorney: Chester Keller, Esq. Asst. Federal Public Defender